

REC'D TN
REGULATORY AUTH.

*01 NOV 29 PM 12 33

OFFICE OF THE
EXECUTIVE SECRETARY

HAMPTON CARTER, LLC
4718 LAKE PARK DRIVE, SUITE 3
JOHNSON CITY, TENNESSEE 37615
(423)282-6811 (FAX)282-4060

RECEIVED
TN REG. AUTHORITY

OCT 20 2000

ENERGY & WATER DIVISION

October 20, 2000

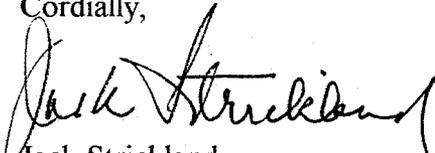
Mr. Butch Phillips
Utility Rate Specialist III
Energy and Water Division
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Dear Mr. Phillips

00-60667

I hope the additional information included will enable completion of review of my petition. If you need anything to complete the review, we will try to furnish it.

Cordially,



Jack Strickland
Chief Manager

TARIFF
OF
HAMPTON CARTER, L.L.C.
CONSISTING OF
SCHEDULE OF RATES, TERMS AND CONDITIONS
FOR
SEWER SERVICES
APPLYING TO A LOCATION IN
CARTER COUNTY, TENNESSEE

NO MODIFICATION OF THESE SCHEDULES SHALL BE
MADE EXCEPT FOR THE PURPOSE OF CANCELING OR
SUPERSEDING PREVIOUSLY ISSUED SCHEDULES

Exhibit I

TABLE OF CONTENTS

Rules and Regulations

1. Definitions
2. Filing, Posting and Effect
 - .1 Tariff of the Utility
 - .2 Authority Rules and Regulations
 - .3 Change in Rates, Rules and Regulations
3. Application for Service
 - .1 Apply for New Service
 - .2 Contract for Utility Service
 - .3 Information to Customers
 - .4 Duty to Notify Utility of Change in Service
4. Customers Deposit
 - .1 Utility's Right to Require Deposit
 - .2 Utility's Duty to Maintain Deposit
 - .3 Utility's Duty to Refund Deposit
 - .4 Unclaimed Deposits
5. Extension of Mains
 - .1 Service Extension
6. Service Connections
 - .1 Tap Fee Requirements
 - .2 Utility Shall Establish all Connections to Its Lines
 - .3 Customer shall Establish Connection
 - .4 Utility Shall Inspect All Installations of Customer's Service Line
 - .5 Location
 - .6 Customer Responsibility
 - .7 Repair of Customer's Service Line
 - .8 Access to Property
7. Billing and Payment
 - .1 Time of Rendering Bills
 - .2 Responsibility for Correct Customer Billing
 - .3 Failure to Receive Bill
 - .4 Payment by Check
 - .5 Adjustments of Bills - Overcharged
 - .6 Adjustments of Bills - Undercharged
 - .7 Complaints
8. Termination of Service
 - .1 Grounds for Termination of Service
 - .2 Written Notice of Termination
 - .3 Dispute Procedures
 - .4 Disconnection/Re-connection

9. Discontinuance of Service
 - .1 Customer's Discontinuance of Service
 - .2 Availability Rates

Attachment: Rate Schedule

RULES AND REGULATIONS

1. DEFINITIONS.

The following terms, wherever used in the tariff, shall be defined as set forth below:

Applicant: shall mean any person, firm, corporation, association or governmental unit making application for sewer service.

Availability Fee: shall mean a fee or charge paid to the utility by a subscriber for the availability of sewer service being provided by the utility.

Availability of Sewer: shall mean that sewer service is available at all times through a sewer main located within a distance that the Authority deems reasonable, whether or not sewage is actually collected from the subscriber's property by the utility, and whether or not a service outlet is located inside the boundary of the property served.

Commercial Customer: shall mean a customer who uses a property for commercial or public purposes.

Authority: shall mean Tennessee Regulatory Authority.

Authority Rule: shall mean any rule or regulation duly adopted by the Authority and applicable to sewer utilities under Authority jurisdiction.

Contributor: shall mean a person who requests sewage treatment service and agrees to the terms of a sewer service agreement.

Customer: shall mean a person, firm, corporation, association or governmental unit furnished sewer service by the utility.

Customer's Service Line: shall mean the connecting facilities extending from the utility's central collection point to the customer's septic tank. This line is installed and maintained at the cost and expense of the customer.

Discontinuance of Service: shall mean the disconnection of sewer service at the customer's request.

Main: shall mean the sewer pipe owed, operated or maintained by the utility which is used for the purpose of collection or transmission of sewage, but does not include the "utility service line" or the "customer service line". The main is usually located in a public highway, street, alley, or private right-of-way.

Person: shall mean any individual, corporation, partnership, cooperative, or association.

Premise: shall mean (1) a single structure owned or leased by a customer as one place of business; or (2) a combination of structures owned or leased by a customer, which is located on a single site.

Property: shall mean a single lot or subdivided parcel of land including improvements thereon, to which sewer service is provided or to which sewer service is available to be provided upon request

Subscriber: shall mean a person, firm, corporation or governmental unit who is a nonuser of the sewer service provided by the utility, but sewer service is available to the property of such person, firm, corporation or governmental unit.

Tap Fee: shall mean a non-recurring, non-refundable charge related to the cost of installing the treatment facility and the utility's main line.

Tariff: shall mean the entire body of effective rates, charges, rules and regulations, as set forth herein.

Termination: shall mean the disconnection of sewer service not at the customer's request.

Utility: shall mean Carter Hampton, LLC who owns and operates the facilities used in connection with collecting sewage from the public for compensation within Carter County, State of Tennessee.

Utility's Service Line: shall mean the connecting line between the utility's central collection point and the utility's treatment plant.

2. FILING, POSTING AND EFFECT.

2.1 Tariff of the Utility: A copy of this tariff comprising the Rates, Rules and Regulations governing the provision of sewer services by the utility is on file with the Authority and is posted and available for inspection at the utility's office. These rates, rules and regulations are part of the contract with every customer, and every customer, by taking sewer service, agree to be bound hereby.

2.2 Authority Rules and Regulations: The utility, in its operations, shall conform with all applicable rules and regulations promulgated from time to time by the Tennessee Regulatory Authority.

2.3 Change in Rates, Rules or Regulations: No schedule of rates, rules or regulations shall be changed or put into effect until the proposed change has been approved by the Authority, unless the change is exempt from such approval by statute or other provisions of law.

3. APPLICATION PROCEDURE FOR SERVICE, CHANGE IN CUSTOMER OR SERVICE.

3.1 Apply for New Service: Before new sewer service is provided by the utility, a prospective customer shall complete and submit to the utility a written application for service. Service can be provided if the applicant is in compliance with the utility's rules and regulations as set forth in this tariff.

3.2 Contract for Utility Service: The customer's application, if accepted by the utility, and these Rules and Regulations constitute the contract between the customer and the utility, and each customer, by the taking of utility service, agrees to be bound thereby.

3.3 Information to Customers: The utility, when accepting application for sewer service, will give full information to the applicant concerning type of service to be rendered and rates which will be applicable.

3.4 Duty to Notify Utility of Change in Service: It shall be the obligation of each customer to provide the utility seven days' notice of changes in service. The notice should include discontinuation of service, change in billing address or change in type of service. If service is to be disconnected, then upon receipt of such notice the utility shall submit to the customer a final bill for services rendered.

4. CUSTOMER'S DEPOSITS.

4.1 Right to Require Deposit: The utility may require a cash deposit as a condition of new sewer service. Such deposit shall not exceed an amount equal to two (2) times the actual monthly bill for the service requested. The utility may also require payment of any prior outstanding account, if due and owing to utility, as a condition of new sewer service.

4.2 Utility's Duty to Maintain Deposit: A deposit received by the utility shall be recorded and maintained in accordance with the Tennessee Code. This includes keeping the following deposit records: (a) the name of the customer making the deposit, (b) the account number, (c) the amount of the deposit and the date of receipt, and (d) a record of each transaction concerning the deposit.

4.3 Utility's Duty to Refund Deposit upon Discontinuance of Service: Upon final discontinuance of service, the utility may apply the deposits to any amount due from the customer for service. Deposits will be retained by the utility as long as required to insure payment of bills. Any balance due the customer shall be promptly refunded.

4.4 Unclaimed Deposits: A record of each unclaimed deposit will be maintained for at least three years, during which time the utility will make a reasonable effort to return the deposit.

5. EXTENSION OF MAIN

5.1 Service Extension: The utility can extend its service for any person making a written application for sewer service. The prospective customer shall clearly state the type of sewer service desired and must provide the necessary rights of way for the laying of any sewer lines across lands of an intervening landowner or across any existing road, street or highway. The utility will estimate the ability to treat the proposed effluent and the cost of providing the service requested. The prospective customer will be responsible for paying the costs of providing sewer service to his property and a share of the cost in the treatment facility. Such payments are due and payable in advance of the provision of service facilities. The payment is to be collected only once as the customer's participation in the original installation of extended sewer distribution or collection facilities.

A. The contributor agrees to prepare and submit to the utility engineering plans meeting the utility's engineering specifications for the proposed sewer main extension, including associated sewer facilities that may be required in order to provide sewer service.

B. It is expressly understood and agreed that if the utility is delayed or prevented from installing the sewer facilities set forth in the contributor's engineering plans because of the utility's inability to secure pipe or other construction materials, or for any other causes beyond the utility's control, such non-performance shall be excused; provided, however, if such non-performance shall extend for a period of one (1) year or more beyond the scheduled time of completion, the contributor will have the right to cancel and terminate the main extension agreement on thirty (30) days' written notice to the utility. If the contributor elects to terminate the agreement, then the utility shall refund all money not expended, less the sum for any work or payments made prior to the notice of termination. The contributor's right to cancel and terminate shall not be invoked if the utility has received the construction materials and the contributor has made the deposit as hereinafter required, in which event the utility shall have the obligation to prosecute the work diligently to its completion.

C. The utility shall own the sewer facilities installed by the utility pursuant to the contributor's engineering plans.

D. The service agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the respective parties.

E. At any time when the utility determines that the contributor's payment of the estimated cost of the extension is insufficient to pay for the actual cost, the contributor shall be required to provide the utility an additional payment to cover the actual cost.

6. SERVICE CONNECTIONS

6.1 Tap Fee Requirements: A tap fee will be required of each customer in the amount of \$15.00 per gallon of projected effluent, plus tax per each new sewer connection. The tap fee must be paid in advance

of any installation or construction work. The tap fee shall only be collected once for a given customer.

6.2 Utility Shall Establish All Connections to Its Lines: The utility shall furnish and install its collection line to a central point on the property. The utility's service line and collection point shall be the property of the utility and be accessible to and under the control of the utility at all times.

6.3 Customer Shall Establish Connection: The customer shall be responsible for furnishing and installing a grease and oil separator and septic tank. The minimum tank size will be according to the plans and specifications prepared by Jobe and McElyea Engineers, but in no case less than 1500 gallons. The customer shall provide the pipe from the building to the utility collection point. The utility shall keep the grease and oil separator and septic tank in good repair, at the customer's expense.

6.4 Utility Shall Inspect All Installations of Customer's Service Line: The customer shall notify the utility of the installation of the customer's grease and oil separator, septic tank and service line and the utility shall inspect the installation prior to its enclosure. In the installation, the customer shall leave the trench open and pipe uncovered until it is inspected by the utility and shown to be at proper depth, free from any tree or other interference, irregularity or defect. The customer shall not make any change to or rebuild any part of the system without prior notice to the utility.

6.5 Location: Customer's grease and oil separator, septic tank and lines shall be laid consistent with the utility engineering plan, and in conformance with all governmental regulations and ordinances.

6.6 Customer Responsibility: It is the responsibility of the customer to take every precaution to insure against the disruption of sewer service being furnished. Particular care must be taken to safeguard the grease trap to prevent the entrance of foreign matter or materials into the sewer system. Prompt notice of any difficulty experienced in the utilization of the sewer service is imperative in order that prompt attention may be given so as to alleviate conditions detrimental to health and sanitation considerations.

6.7 Repair of Customer's Service Line: The maintenance and repair of the customer's grease and oil separator, septic tank and discharge line are the responsibilities of the utility. The utility shall render a bill for such service at the prevailing local rates based upon labor and materials and payment therefor shall be made by the customer within thirty (30) days.

6.8 Access to Property: The utility shall have access at all reasonable hours to connections and other equipment and property of the utility located on the customer's premises for purposes of installing, maintaining, operating, removing and/or replacing such connections, equipment and property.

7. BILLING AND PAYMENT.

7.1 Time of Rendering Bills: All bills shall be rendered monthly and shall be due and payable upon receipt. Customers are billed either (i) as actual users of the sewer system, or (ii) as subscribers with sewer service available for use. The monthly charges for users and subscribers of each service are set forth in the Rate Schedule attached hereto. In addition, state sales tax of 6% and local sales tax of 2.25%, or at the percentages established by the taxing authorities, shall be billed on a monthly basis.

7.2 Responsibility for Correct Customer Billing: It is the responsibility of the customer to notify the utility of the need for service or any change in service. The utility likewise has the responsibility to its customers to regularly monitor the service area in order to advise potential customers of the utility's existence and the services provided.

7.3 Failure to Receive Bill: Failure to receive a bill will not exempt the customer from payment. The customer shall be responsible to notify the utility within fifteen (15) days of the end of a billing period if no bill has been received, and the utility shall send a new bill to the customer upon such notice.

7.4 Payment by Check: The utility, at its option for good cause, may refuse to accept a check tendered as payment on a customer's account and require payment in cash.

7.5 Adjustments of Bills - Customer Inadvertently Overcharged: If the utility has inadvertently overcharged a customer as a result of a misapplied schedule or any other human or machine error, the utility shall, at the customer's option, credit or refund the excess amount paid by the customer.

7.6 Adjustments of Bills - Customer Inadvertently Undercharged: If the utility has undercharged any customer as a result of a misapplied schedule or any human or machine error, the utility may recover the deficient amount within a period of six months.

7.7 Complaints: Complaints by customers concerning the charges, practices, facilities, or services of the utility shall be investigated promptly and thoroughly. When the Authority has notified the utility that a complaint has been received concerning a specific account, the utility shall refrain from terminating the service of that account until the Authority's investigation is completed and the results have been received by the utility.

8. TERMINATION OF SERVICE.

8.1 Grounds for Termination of Service: Service may be refused or discontinued only for the reasons listed below:

- (a) Without notice in the event of a condition determined by the utility to be hazardous.
- (b) Without notice in the event of customer use of equipment in such a manner as to adversely affect the utility's equipment or the utility's service to others.
- (c) Without notice when the utility has discovered clear and convincing evidence that by fraudulent means a customer has obtained unauthorized sewer service or has diverted such service for unauthorized use.
- (d) In the event of tampering with the equipment furnished and owned by the utility.
- (e) For violation of, or non-compliance with, the rules which the utility has filed with the Authority
- (f) For failure of the customer to fulfill his contractual obligations for service and/or facilities subject to regulations by the Authority.
- (g) For failure of the customer to permit the utility reasonable access to its equipment.
- (h) For non-payment of a customer's bill provided that the utility has made a reasonable attempt to collect and has given the customer written notice to make settlement on his account or have his service denied. Service shall not be terminated for non-payment of a customer's bill until the account has been past due for a minimum of thirty (30) consecutive days.
- (i) For failure of the customer to furnish such service equipment, permits, certificates, and/or rights-of-way, as shall have been specified by the utility as a condition to obtaining service, or in the event such equipment or permissions are withdrawn or terminated.

8.2 Written Notice of Termination: Before service is terminated, the customer shall be permitted at least seven days, following mailing of written termination notice, in which to cure the default or eliminate the condition for which the service is being terminated.

8.3 Dispute Procedures: When a prospective customer is refused service based on the "Grounds for

Termination of Service" set forth in Section 8.1 above, the utility shall notify such customer promptly of the reason for the refusal to serve and of his right to appeal the utility's decision to the Authority.

8.4 Disconnection/Reconnection: In all cases of termination of service, where the cause for termination has been corrected, and all rules of the utility on file with the Authority have been complied with, the utility shall promptly restore service to the customer. When service has been terminated, the utility shall charge \$50.00 for disconnection. At the time service is restored, the utility shall charge \$50.00 for reconnection.

9. DISCONTINUANCE OF SERVICE.

9.1 Customer's Discontinuance of Service: Any customer desiring service to be discontinued shall give a written notice to the utility. Until the utility receives such notice, the customer may be held responsible for all services rendered. Upon request by the customer for disconnection, service will be terminated. The utility shall charge \$50.00 for restoring the service if at a later date reconnection is requested by the customer.

9.2 Availability Rates: Disconnected customers will be billed based on the availability rates in effect.

CARTER HAMPTON, LLC

SEWER RATE SCHEDULE

Minimum 10,000 Gallons:	\$100.00 per month
Additional Gallons:	\$0.01 Gallon per month

OTHER FEES

Tap Fee:	\$15.00/gal of expected useage
Deposit:	\$700 Per Sewer Meter Set
Disconnection-Reconnection:	\$50 Per Sewer Disconnect
Customer's Request or for Good Cause:	\$50 Per Sewer Disconnect
Bills Due:	On Billing Date
Bills Past Due:	15 days after billing date
Billing Frequency:	Monthly
Subject to 8.25% Sales Tax	

ENGINEERING REPORT

PROPOSED WASTEWATER TREATMENT FACILITIES

FOR

HAMPTON CARTER COMMERCIAL CENTER
HAMPTON, TN

Developed and Owned by:

HAMPTON CARTER L.L.C.
4718 LAKE PARK DRIVE
SUITE 3
JOHNSON CITY, TN 37615

Prepared by:

Jobe & McElyea Engineers P.L.L.C.
4718 Lake Park Drive, Suite 4
Johnson City, TN 37615

Exhibit 2

TALBE OF CONTENTS

<u>Division</u>		<u>Page</u>
I	Proposed Development	1
II	Wastewater Treatment Alternative	1
III	Proposed Discharge Point	2
IV	Wastewater Characteristics	3
V	Effluent Limits	3
VI	Proposed Wastewater Processes	4
VII	Design Data	4-5
VIII	Estimated Costs	5

ENGINEERING REPORT

I. PROPOSED DEVELOPMENT

The owner is in the process of developing a small commercial center in Hampton-Carter County, Tennessee. The proposed development is located east of U.S. 19E and south of U.S. 321 in Hampton. Figure 1 shows the proposed development area and wastewater treatment facility location.

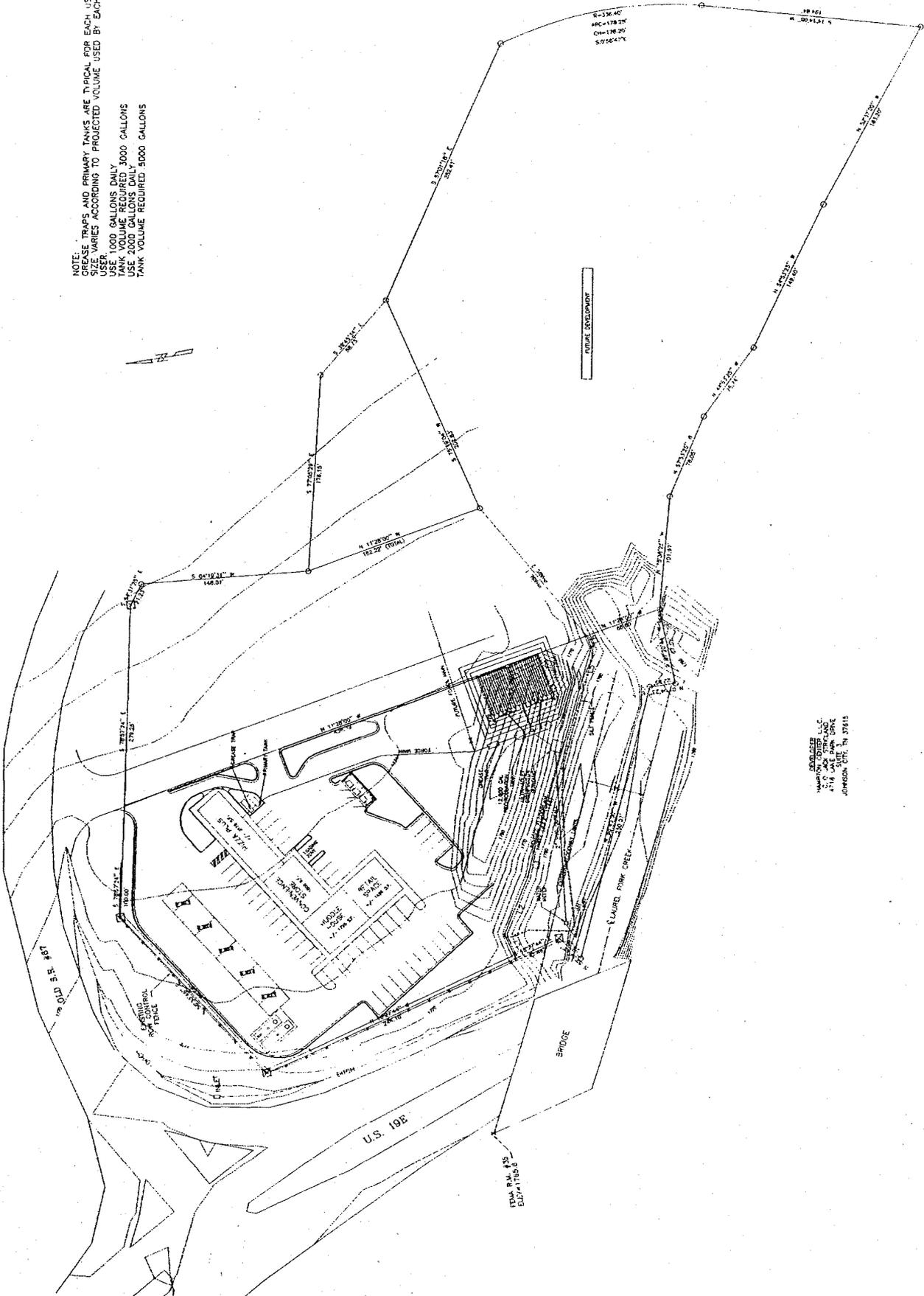
II. WASTEWATER TREATMENT ALTERNATIVES

There are four alternatives for providing wastewater treatment. These are: construction of a subsurface system on or off site, construction of a treatment plant, connection to the Elizabethton sewerage system and land application. The use of subsurface disposal for this development is not satisfactory because the site is on "fill" without sufficient land area on which to construct the required field lines. Construction of a sewer line to the Elizabethton system is not a viable alternative with cost being the major determinant. It is estimated that the cost for this alternative would exceed 1.0 million dollars, which would be borne by the developer, and be excessive. Land is not available nearby for land application or for offsite field lines.

Construction of a private wastewater treatment plant (recirculating sand filters) is an acceptable alternative from both cost and for protecting the environment.

Therefore, it is proposed to build an on site wastewater treatment facility – a recirculating sand filter.

NOTES: TRAILS AND PRIMARY TANKS ARE TYPICAL FOR EACH USER.
 SIZE VARIES ACCORDING TO PROJECTED VOLUME USED BY EACH
 USER.
 USE 1000 GALLONS DAILY
 USE 5000 GALLONS DAILY
 USE 10000 GALLONS DAILY
 TANK VOLUME REQUIRED: 3000 GALLONS
 TANK VOLUME REQUIRED: 5000 GALLONS



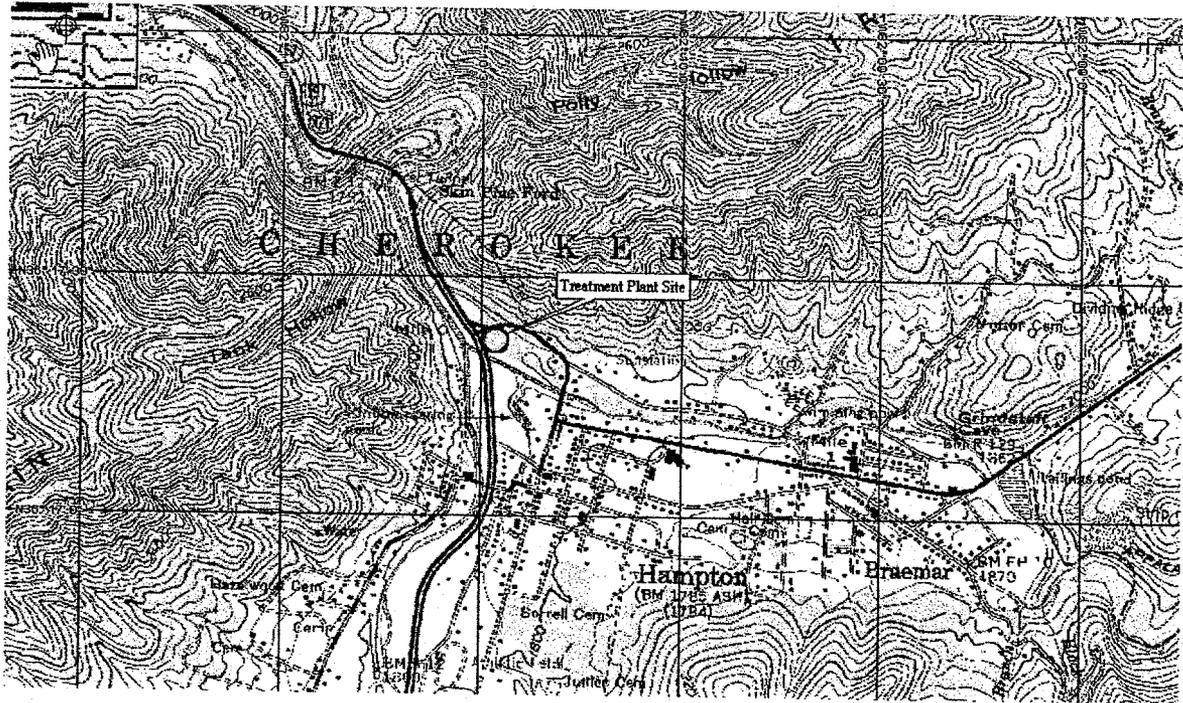
JOB: 00-045
 HAMPTON CARTER LLC
 4710 EAST PARK DRIVE
 JOHNSON CITY, TN 37615

III. PROPOSED DISCHARGE POINT

The proposed discharge point is shown in Figure 1 and is described as follows:

- 1 – Mile 0.1 of the Laurel Fork Creek
- 2 – Latitude - 36° 17' 20"
- 3 – Longitude - 83° 10' 29"

FIGURE 1
ELIZABETHTON QUAD



IV. WASTEWATER CHARACTERISTICS

A. Wastewater Flow Phase I – The wastewater flow will result from food service, convenience centers and employee restrooms. The food service facilities are projected at 100 seats. The estimated number of employees is 20. The total wastewater flow for phase I is estimated as follows: (Phase II is also a approximately 6,000 gal)

1 – 100 seat food service at 40 gal/seat	=	4,000 gpd
2 – convenience center	=	1,000 gpd
3 – 40 employees at 25 gal/employee	=	<u>1,000 gpd</u>
Total Flow =		6,000 gpd

B. Organic Load (BOD) Phase I – The organic loading is estimated in accordance with the Tennessee Department of Public Health (TDPH) design criteria as follows:

1 – 100 seats at 0.2 lb/seat	=	20 lb/day
2 – 40 employees @ 0.05 lb/employee	=	<u>2 lb/day</u>
Total BOD =		22 lb/day

V. EFFLUENT LIMITS

Although effluent limits have not been established at this particular site, it can be expected that typical secondary treatment will be required. Due to the large flow in the Laurel Fork Creek compared to the effluent flow, the discharge of a secondary effluent should cause no deterioration to the river water quality.

VI. PROPOSED WASTEWATER PROCESSES

It is proposed to design and construct a wastewater treatment facility consisting of the following unit processes:

- A. Grease trap and septic tank at each business
- B. Grease trap
- C. Recirculate tank and pumps
- D. Filter beds – flow splitter
- E. Distribution and collection system
- F. Aeration
- G. Disinfection

VII. DESIGN DATA

A. Parameters

1 – Instantaneous max. flow 12,000 gpd/720 min = 17 gpm (All phases)

2 – BOD = 44 lb/day (All phases)

- B. Septic tank – Grease & Oil Separators - Each user will be required to install a grease and oil separator and septic tank. In addition, a grease and oil separator will be installed as part of the treatment plant in front of the Recirculating Tank. Minimum tank size will be 1500 gallons.
- C. Recirculating Tanks – The volume of the tank shall be equal to one day's flow of 12,000 gallons. Tanks will be equipped with two alternating pumps sized to recirculate the wastewater 5 times before being discharged. A spare pump is to be provided.

D. Sand Filter Bed – The filter bed should be sized on the basis of 3.0-5.0 gallons per square foot per day of average strength domestic sewage.

The sand filter medium shall consist of 24 inches of clean coarse sand.

The bedding material supporting the filter sand shall consist of 3 inches of ¼-inch to ½-inch stone. Below this layer SHALL BE 6 inches of a ½-inch to 1-inch stone. Two inches of compacted shokestone shall be the bottom layer. An impermeable plastic liner 20 mils thick is required for the bottom of the sand filter. A fence will be required.

E. Distribution and Collection Systems – All piping shall be PVC with the distribution lines being placed level and the collection lines with grades as required.

F. Aeration Tank – Although OD is normally less than 5mg/l in the treated effluent an aeration tank will be provided.

G. Disinfection – It is proposed to use ultraviolet rays as a disinfectant.

VIII. ESTIMATED COST

The estimated cost is \$150,000.



PROJECT PROPOSAL

TO:

Planning and Development Services, Inc.
 Attention: Jack Strickland
 4718 Lake Park Drive, Suite C
 Johnson City, TN 37615

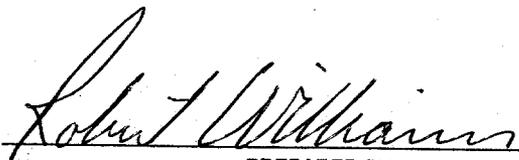
282-6811 Fax: 282-4060

PROJECT DESCRIPTION

WASTE WATER TREATMENT PLANT
 HAMPTON UTILITY DISTRICT (Carter County)
 HAMPTON, TENNESSEE

ITEMIZED ESTIMATE: TIME AND MATERIALS	AMOUNT
1. MATERIALS	\$34,000.00
2. MEDIUM COST	25,500.00
3. CONTINGENCY	12,750.00
4. (3) GREASE TRAPS	5,100.00
5. (3) SEPTIC TANKS	5,100.00
6. FENCE (250 L.F.)	1,700.00
7. LABOR, GRADING, & SEEDING	65,850.00
TOTAL ESTIMATED PROJECT COST	\$150,000.00

This is an estimate only, not a contract. This estimate is for completing the project described above, based on our evaluation. It does not include unforeseen price increases or additional labor and materials which may be required should problems arise.


 PREPARED BY

Oct 17, 2000
 DATE

1019 QUALITY CIRCLE
 403 ARNOLD RD.

JOHNSON CITY, TN 37615
 BRISTOL, TN 37620

423-283-0520
 423-764-4990



April 14, 1999

Mr. Jack Strickland, President
Ms. Joy Strickland
Planning and Development Services, Inc.
3 Sterling Circle
Johnson City, TN 37604

Dear Jack & Joy:

First Bank and Trust Company of Tennessee ("Bank") is pleased to confirm the following Loan Commitment to you ("Borrowers") substantially in accordance with the terms and conditions stated below:

BORROWERS:

Planning and Development Services, Inc.
Jack B. Strickland
Joy P. Strickland

AMOUNT:

Five Hundred Fifty Thousand and no/100-----(\$550,000.00)

PURPOSE:

To purchase and develop property located in Hampton, Tennessee

INTEREST RATE:

A fixed rate of interest equal seven and one-half percent (7.50%) for the 12 month construction period and the immediate 60 month balloon period.

FEES:

There will be no origination fee due.

PREPAYMENT:

The loan may be prepaid in whole or in part without penalty.

Strickland
Page 2

REPAYMENT:

Interest will be payable monthly during construction. After construction, monthly payments of principal and interest will be established in an amount sufficient to amortize the balance of the loan over a 180 month period. The loan will be due in full after 72 payments (12 construction and 60 amortized unless otherwise negotiated in writing.

COLLATERAL:

A valid first lien Deed of Trust and assignment of rents and leases on subject property.

CONDITIONS TO LENDING:

The obligation of the Bank to make this loan is subject to the receipt of the following:

- A. Loan Documents-The Note, Deed of Trust, Assignment of Rents and Leases, Borrowing Authorization, and other documents duly authorized, executed and delivered to the parties thereto.
- B. Appraisal - Evidence satisfactory to the Bank that the market value of the property upon completion is at least \$733,333.00. Notwithstanding the face amount of the note and deed of trust at closing, the aggregate amount of all advances will be limited to the lesser of the note amount or 75% of the market value whichever is less.
- C. Title Insurance-A title insurance policy issued by a company acceptable to the Bank containing no exceptions unacceptable to the bank; insuring the Bank that the Deed of trust is a valid first lien on fee simple title to the Property.
- D. Construction Loan Agreement-Borrower will execute a construction loan agreement.
- E. Other documents - The Borrower shall provide a plat of survey. Such other documents and certificates as may be required by this commitment or that the Bank may reasonably request.

REPORTING REQUIREMENTS:

- A. Annually, or so long as the Borrowers are indebted to Bank, a Federal Tax Return on each of the Borrowers including but not limited to a statement of all income, assets liabilities (both contingent and direct) and net worth.

EVENTS OF DEFAULT:

The Borrowers shall be in default under these loans, notes, deeds of trust and any and all other Loan documents if Borrowers fail to pay any amount due under the notes or other documents when due or if Borrowers fail to timely and properly perform, keep and observe any agreement or condition in this letter of Commitment or any of the Loan Documents, or upon:

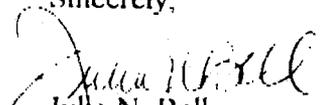
Strickland
Page 3

- A. The failure to pay or perform any obligation or inability to pay any indebtedness of the Borrower to the Bank
- B. The Bank's determination that any representation or warranty made by the Borrowers in any Loan Documents or otherwise to the Bank is, or was, untrue or materially misleading.
- C. Any material adverse change in the financial condition of the Borrowers.

Please acknowledge your acceptance of this commitment by executing and returning the original of this letter, which must be received by us no later than April 30, 1999. In the absence of such receipt, this commitment will expire at the close of business on such date.

We appreciate the opportunity to provide financing for this project and look forward to working with you on future projects.

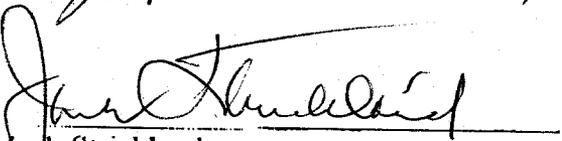
Sincerely,

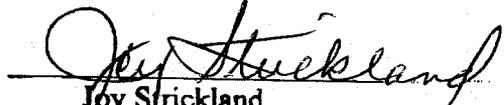

 Julia N. Bell
 Vice President

The terms and conditions set forth above are accepted this _____ day of April 1999.

Planning and Development Services, Inc.

By: Joy Strickland, Sec-Treasurer


 Jack Strickland


 Joy Strickland

HAMPTON CARTER, LLC
4718 LAKE PARK DRIVE, SUITE 3
JOHNSON CITY, TENNESSEE 37615
(423)282-6811 (FAX)282-4060

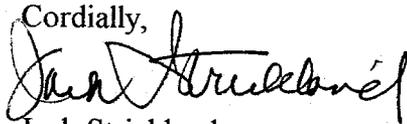
October 20, 2000

Mr. Butch Phillips
Utility Rate Specialist III
Energy and Water Division
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Dear Mr. Phillips:

All tap fees charged to new customers will be applied to the debt of the treatment facility. The LLC will cover debt coverage until users complete total payment.

Cordially,

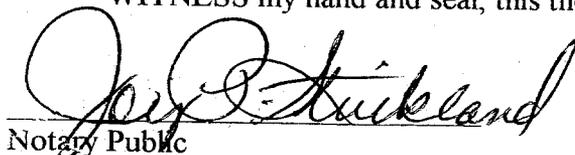


Jack Strickland
Chief Manager

STATE OF TENNESSEE
COUNTY OF WASHINGTON

Personally appeared before me, the undersigned Notary Public in and for said County and State, Jack Strickland, with whom I am personally acquainted and who acknowledged that he executed the foregoing instrument for the purposes therein contained.

WITNESS my hand and seal, this the 20th of October, 2000.



Notary Public
My Commission Expires 1-28-03

HAMPTON CARTER SEWAGE TREATMENT FACILITY PROJECTED OPERATING INCOME AND COSTS

YEARS	1st	2nd	3rd	4th	5th
Income					
Treatment Charges	10,950.00	25,550.00	36,500.00	36,500.00	36,500.00
EXPENSES					
Operation Contract	18,000.00	18,000.00	18,900.00	18,900.00	19,845.00
Power	2,400.00	2,500.00	2,600.00	2,700.00	2,800.00
Septic Tank Maint	3,000.00	3,500.00	4,000.00	4,500.00	5,000.00
Reserves	6,000.00	6,000.00	6,000.00	6,000.00	0.00
Site Maint	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00
Total	33,000.00	33,600.00	35,100.00	35,700.00	31,245.00
NOI	(22,050.00)	(8,050.00)	1,400.00	800.00	5,255.00

Notes: The monthly projected operating income for the facility is calculated at \$100 for the first 10,000 g
 The required payment for sewer taps will be applied to the debt of the facility.
 The operation contract amount has been estimated by the public utility people of Johnson City bar
 The LLC will cover the deficit of the sewer operations.

C. Use the space below to list any of the pollutants listed in Table 2D-3 of the instructions which you know or have reason to believe will be discharged from any outfall. For every pollutant you list, briefly describe the reasons you believe it will be present.

1. Pollutant

2. Reason for Discharge

None

VI. Engineering Report on Wastewater Treatment

A. If there is any technical evaluation concerning your wastewater treatment, including engineering reports or pilot plant studies, check the appropriate box below.



Report Available



No Report

B. Provide the name and location of any existing plant(s) which, to the best of your knowledge, resembles this production facility with respect to production processes, wastewater constituents, or wastewater treatments.

Name

Roan Mtn.
State Park

Location

State Route 143

FORM 1 GENERAL



U.S. ENVIRONMENTAL PROTECTION AGENCY
GENERAL INFORMATION
 Consolidated Permits Program
 (Read the "General Instructions" before starting.)

I. EPA I.D. NUMBER

1	2	3	4	5	6	7	8	9	10	11	12
---	---	---	---	---	---	---	---	---	----	----	----

LABEL ITEMS

I. EPA I.D. NUMBER

III. FACILITY NAME

V. FACILITY MAILING ADDRESS

VI. FACILITY LOCATION

PLEASE PLACE LABEL IN THIS SPACE

GENERAL INSTRUCTIONS

If a preprinted label has been provided, it in the designated space. Review the information carefully; if any of it is incorrect, correct it and enter the correct data in appropriate fill-in area below. Also, if any the preprinted data is absent (the area to left of the label space lists the information that should appear), please provide it in proper fill-in area(s) below. If the label is complete and correct, you need not complete items I, III, V, and VI (except VI-B which must be completed regardless). Complete items if no label has been provided. Refer to the instructions for detailed item descriptions and for the legal authorizations under which this data is collected.

II. POLLUTANT CHARACTERISTICS

INSTRUCTIONS: Complete A through J to determine whether you need to submit any permit application forms to the EPA. If you answer "yes" to any questions, you must submit this form and the supplemental form listed in the parenthesis following the question. Mark "X" in the box in the third column if the supplemental form is attached. If you answer "no" to each question, you need not submit any of these forms. You may answer "no" if your activity is excluded from permit requirements; see Section C of the instructions. See also, Section D of the instructions for definitions of bold-faced terms.

SPECIFIC QUESTIONS	MARK 'X'			SPECIFIC QUESTIONS	MARK 'X'		
	YES	NO	FORM ATTACHED		YES	NO	FORM ATTACHED
A. Is this facility a publicly owned treatment works which results in a discharge to waters of the U.S.? (FORM 2A)		X		B. Does or will this facility (either existing or proposed) include a concentrated animal feeding operation or aquatic animal production facility which results in a discharge to waters of the U.S.? (FORM 2B)		X	
C. Is this a facility which currently results in discharges to waters of the U.S. other than those described in A or B above? (FORM 2C)		X		D. Is this a proposed facility (other than those described in A or B above) which will result in a discharge to waters of the U.S.? (FORM 2D)	X		
E. Does or will this facility treat, store, or dispose of hazardous wastes? (FORM 3)		X		F. Do you or will you inject at this facility industrial or municipal effluent below the lowermost stratum containing, within one quarter mile of the well bore, underground sources of drinking water? (FORM 4)		X	
G. Do you or will you inject at this facility any produced water or other fluids which are brought to the surface in connection with conventional oil or natural gas production, inject fluids used for enhanced recovery of oil or natural gas, or inject fluids for storage of liquid hydrocarbons? (FORM 4)		X		H. Do you or will you inject at this facility fluids for special processes such as mining of sulfur by the Frasch process, solution mining of minerals, in situ combustion of fossil fuel, or recovery of geothermal energy? (FORM 4)		X	
I. Is this facility a proposed stationary source which is one of the 28 industrial categories listed in the instructions and which will potentially emit 100 tons per year of any air pollutant regulated under the Clean Air Act and may affect or be located in an attainment area? (FORM 5)		X		J. Is this facility a proposed stationary source which is NOT one of the 28 industrial categories listed in the instructions and which will potentially emit 250 tons per year of any air pollutant regulated under the Clean Air Act and may affect or be located in an attainment area? (FORM 5)		X	

III. NAME OF FACILITY

1 SKIP Hampton Carter Commercial Center

IV. FACILITY CONTACT

A. NAME & TITLE (last, first, & title) 2 Strickland Jack

B. PHONE (area code & no.) 423 282 6811

V. FACILITY MAILING ADDRESS

A. STREET OR P.O. BOX 3 4718 Lake Park Dr

B. CITY OR TOWN 4 Johnson City

C. STATE TN

D. ZIP CODE 37615

VI. FACILITY LOCATION

A. STREET, ROUTE NO. OR OTHER SPECIFIC IDENTIFIER 5 Old State Route 67

B. COUNTY NAME Carter

C. CITY OR TOWN 6 Hampton

D. STATE TN

E. ZIP CODE 37658

F. COUNTY CODE (if known)

VII. SIC CODES (4-digit, in order of priority)

A. FIRST				B. SECOND			
7		(specify)		7		(specify)	
C. THIRD				D. FOURTH			
7		(specify)		7		(specify)	

VIII. OPERATOR INFORMATION

A. NAME												B. Is the name listed in Item VIII-A also owner?			
8 City of Johnson City												<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO			
C. STATUS OF OPERATOR (Enter the appropriate letter into the answer box; if "Other", specify.)										D. PHONE (area code & no.)					
F = FEDERAL		M = PUBLIC (other than federal or state)		S = STATE		O = OTHER (specify)		M (specify)		A 423		434		6000	
E. STREET OR P.O. BOX															
610 E Main Street															
F. CITY OR TOWN						G. STATE		H. ZIP CODE		IX. INDIAN LAND					
8 Johnson City						TN		37601		Is the facility located on Indian lands? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO					

X. EXISTING ENVIRONMENTAL PERMITS

A. NPDES (Discharges to Surface Water)						D. PSD (Air Emissions from Proposed Sources)					
9 N None						9 P					
B. UIC (Underground Injection of Fluids)						E. OTHER (specify)					
9 U None						(specify)					
C. RCRA (Hazardous Wastes)						E. OTHER (specify)					
9 R None						(specify)					

XI. MAP

Attach to this application a topographic map of the area extending to at least one mile beyond property boundaries. The map must show the outline of the facility; the location of each of its existing and proposed intake and discharge structures, each of its hazardous waste treatment, storage, or disposal facilities, and each well where it injects fluids underground. Include all springs, rivers and other surface water bodies in the map area. See instructions for precise requirements.

XII. NATURE OF BUSINESS (provide a brief description)

Treatment plant will receive waste water from small commercial customers; restaurants, service stations, offices and etc.

XIII. CERTIFICATION (see instructions)

I certify under penalty of law that I have personally examined and am familiar with the information submitted in this application and all attachments and that, based on my inquiry of those persons immediately responsible for obtaining the information contained in the application, I believe that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

A. NAME & OFFICIAL TITLE (type or print)		B. SIGNATURE		C. DATE SIGNED	
Jack B. Strickland					

COMMENTS FOR OFFICIAL USE ONLY

C.					
C.					

ATTACHMENT VI

City of Johnson City, Tennessee
Department of Water and Sewer Services



ADMINISTRATION

601 East Main Street
P.O. Box 2150
Johnson City, Tennessee 37605
Phone: 423-434-6062
Fax: 423-461-1657
h2oadmin@johnsoncitytn.org

**CUSTOMER SERVICE/
BILLING/METER READING**

601 East Main Street
P.O. Box 2150
Johnson City, Tennessee 37605
Phone: 423-461-1640
Fax: 423-434-6087
h2osrvc@johnsoncitytn.org

**ENGINEERING
CONNECTIONS & EXTENSIONS**

901 Riverview Road
P.O. Box 2466
Johnson City, Tennessee 37605
Phone: 423-461-1646
Fax: 423-975-2653
h2oengin@johnsoncitytn.org

**LINE MAINTENANCE &
CONSTRUCTION**

901 Riverview Road
P.O. Box 2466
Johnson City, Tennessee 37605
Phone: 423-461-1645
Fax: 423-975-2619
h2olmc@johnsoncitytn.org

**WATER PLANT/WASTEWATER
TREATMENT PLANTS
& FACILITY MAINTENANCE**

857 Riverview Road
P.O. Box 2466
Johnson City, Tennessee 37605
Phone: 423-461-1642
Fax: 423-975-2612
h2ofm@johnsoncitytn.org

CIP MANAGEMENT

203 Dalewood Drive
P.O. Box 2466
Johnson City, Tennessee 37605
Phone: 423-975-2622
Fax: 423-975-2653
bigguy@preferred.com

June 27, 2000

Bobby Jobe
Jobe & McElyea Engineering Consultants
4718 Lake Park Drive
Johnson City, TN 37601

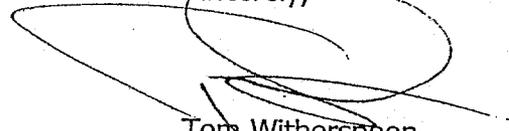
**Re: Recirculating Sand Filled Filter Package/
Wastewater Treatment Plant – Hampton, Tennessee**

Dear Mr. Jobe:

We are of the understanding that a potential wastewater treatment plant or recirculating sand filter may be constructed in Hampton, Tennessee – Carter County for a proposed development. We are presently operating two additional package plants in Carter County, one at Roan Mountain State Park and the second at the Carter County Work Camp. Conceptually, we do have an interest in operating this facility if properly designed and constructed to handle the flow and waste characteristics generated. This is subject to the consideration by our Board of Commissioners and negotiation of appropriate rates.

If you have questions or require additional information, please do not hesitate to contact me.

Sincerely,



Tom Witherspoon
Director
Water & Sewer Services

TW:bg

xc: Gordon Cox, COJC, W/WW Treatment Superintendent

e:\tom\word\Letters 2000\Bobby Jobe - Hampton TN Proposed WW Facility

AGENCY CONTRACT (M/Y)
AWARD



STATE OF TENNESSEE
DEPARTMENT OF GENERAL SERVICES

PURCHASING
COPY

NUMBER : 4021009
BUYER : JEREMY GROSS
BUYER PHONE : (615)741-1832
SWC NUMBER : B1272
DATE ISSUED : 02/09/99
VENDOR NUMBER : 626000320-14
VENDOR PHONE : (423)929-9171
FEIN/SSN : 626000320
REQ AGENCY : 32712M
DEPARTMENT OF CONSERVATION
AGENCY REQ NO. : ROAN MTN
TOPS REQ NO. : 1040498
FISCAL YEAR : 99
EFFECTIVE DATE : 12/01/98
EXPIRATION DATE : 11/30/99
DELIVERY CONTACT : DOYAL VAUGHAN
DELIVERY PHONE : 615-532-0320-

COPY
JOHNSON CITY LAW COURT
DOWNTOWN CENTRE
101 E MARKET STREET
(SEE C626000320-01)
JOHNSON CITY TN 37604-

WASTE WATER TREATMENT PLANT OPERATION
M/Y ROAN MOUNTAIN STATE PARK

1. ORDERING PERIOD: CONTRACT BEGIN ORDERING PERIOD DATE IS: 12/02/98
CONTRACT END ORDERING PERIOD DATE IS: 11/30/99
2. F.O.B. POINT: DESTINATION
3. DELIVERY: DELIVERY WILL BE MADE WITHIN:
UNLESS SPECIFIED DIFFERENTLY ON EACH LINE OR UNLESS
AN ALTERNATE DELIVERY SCHEDULE IS INDICATED. AN
ALTERNATE DELIVERY SCHEDULE IS ENCLOSED HEREIN: YES
4. PROMPT PAYMENT TERMS: PROMPT PAYMENT TERMS ARE: N/A
5. BID REFERENCE NO.: YOUR BID REFERENCE NUMBER IS: 445-5216213212
6. AWARDED LINES: YOU WERE AWARDED 00001 LINES FROM THE SOLICITATION NUMBER 2039390.
THESE LINES ARE INCLUDED AS A PART OF THIS CONTRACT.
7. THE TOTAL PURCHASES OF ANY INDIVIDUAL ITEM ON THE CONTRACT IS NOT KNOWN. THE PURCHASING DIVISION HAS
ATTEMPTED TO GIVE AN ACCURATE ESTIMATE OF PROBABLE PURCHASES OF EACH ITEM FROM THE CURRENT CONTRACT PERIOD
AND PROJECTED ESTIMATES FOR THE NEW CONTRACT PERIOD. THE PURCHASING DIVISION DOES NOT GUARANTEE THAT THE
STATE WILL BUY ANY OR ALL ESTIMATED AMOUNTS OF ANY SPECIFIED ITEM OR ANY TOTAL AMOUNT.

ALL TERMS AND CONDITIONS AS A PART OF SOLICITATION 2039390 INCLUDING ANY AMENDMENTS
THERE TO AND ALSO INCLUDING THE BIDDER'S PROPOSAL AS ACCEPTED BY THE STATE ARE
INCLUDED HEREIN BY REFERENCE AND MADE PART HEREOF EXCEPT AS SPECIFIED HEREIN.

APPROVED: *Glenn Stout*
DIRECTOR OF PURCHASING

BY: _____ *** ORIGINAL SIGNED ***

DATE: 2-9-99

TERMS AND CONDITIONS

AGENCY CONTRACT (M/Y)

BIDDER : JOHNSON CITY LAW COURT

NUMBER : 4021009

PAGE

SWC NUMBER : B1272

SPECIFICATIONS - FOR TESTING OF DOMESTIC WASTEWATER DISCHARGE FROM A TREATMENT FACILITY WITH A DESIGN CAPACITY OF 0.0363 MGD. DISCHARGE 001 SHALL BE LIMITED AND MONITORED AS FOLLOWS:

EFFLUENT CHARACTERISTICS	EFFLUENT LIMITATIONS			MONITORING REQUIREMENTS		
	MO. AVG. CONC. MG/1	WKLY. AVG. CONC. MG/1	DAILY MAX. CONC. MG/1	MEASURE. FREQ.	SAMPLE TYPE	SAMPLN POING
CBOD						
5	10		20	1/WEEK	COMPOS.	EFFLUEN
AMMONIA, AS N	2		4	1/WK.	COMPOS.	EFFLUEN
(MAY 1- OCT.31)						
AMMONIA, AS N	5		10	1/WK.	COMPOS.	EFFLUEN
(NOV. 1- APRIL 30)						
SUSPENDED SOLIDS	30		45	1/WK.	COMPOS.	EFFLUEN
	MONTHLY AVERAGE	DAILY MIN.	DAILY MAX.			
FLOW (MGD)	REPORT		REPORT	7/WEEK	CONTIN- UOUS	EFFLUEN
FECAL COLIFORM	200/100 ML		1000/100ML	1/WEEK	GRAB	EFFLUEN
TOTAL CHLORINE RESIDUAL			0.82 MG/1 INSTANT.	5/WK.	GRAB	EFFLUEN
SETTLABLE SOLIDS			1.0 ML/L	5/WEEK	GRAB	EFFLUEN
DISSOLVED OXYGEN		8.0 MG/L INSTANTANEOUS		5/WEEK	GRAB	EFFLUEN
PH (STANDARD UNITS)		6.0	9.0	5/WEEK	GRAB	EFFLUEN
				5/WEEK	GRAB	EFFLUEN

CONTRACTOR RESPONSIBILITIES:

CONTRACTOR WILL PERFORM THE VARIOUS MONITORING REQUIREMENTS AS SET FORTH BY THE TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION DIVISION OF WATER POLLUTION CONTROL AS REQUIRED BY THE NPDES PERMIT #TN0074357. CONTRACTOR WILL FURNISH ALL TEST EQUIPMENT AND SUPPLIES. IF ANY PORTION OF THE MONITORING REQUIREMENTS (SAMPLES) MUST BE TESTED OR COMPLETED BY A CERTIFIED LAB; THE LAB CHARGES WILL BE PAID BY ROA MOUNTAIN STATE PARK TO THE LAB AND WILL NOT BE PART OF THE CONTRACTOR CHARGES TO THE STATE. THE CONTRACTOR WILL MAINTAIN THE REQUIRED DAIL

TERMS AND CONDITIONS**AGENCY CONTRACT (M/Y)**

BIDDER : JOHNSON CITY LAW COURT

NUMBER : 4021009

PA

SWC NUMBER : B1272

CHARGES TO THE STATE. THE CONTRACTOR WILL MAINTAIN THE REQUIRED DAIL REPORTS/TEST RESULTS AND WILL SUBMIT THE REQUIRED MONTHLY REPRORTS TO THE DIVISION OF WATER POLLUTION CONTROL AND SEND COPIES TO ROAN MOUNTAIN STATE PARK. THE CONTRACTOR WILL PERFORM THE MONITORING REQUIREMENTS ONCE PER DAY FIVE DAYS PER WEEK AS SPECIFIED; WHILE AT THE TREATMENT FACILITY THE CONTRACTOR WILL COMPLETELY INSPECT THE TREATMENT FACILTIY FOR PROPER OPERATION. WHEN A DEFICIENCY IN NORMAL PROPER OPERATION IS DISCOVERED THE CONTRACTOR WILL NOTIFY PARK MAINTENANCE WHO WILL ASSIST THE CONTRACTOR IN CORRECTING THE PROBLEM. PARK MAINTENANCE WILL ASSIST THE CONTRACTOR IN THE ROUTINE CLEANING OF FILTERS, SCREENS, AND ROUTINE MAINTENANCE AND PREVENTATIVE MAINTENANCE. MEET WITH STATE INSPECTORS WHEN NOTIFIED OF AN INSPECTION.

PAYMENT FOR SERVICES TO BE PAID ON A MONTHLY BASIS.

PRICE SHEET

AGENCY CONTRACT (M/Y)

BIDDER : JOHNSON CITY LAW COURT

NUMBER : 4021009

PAGE

SWC NUMBER : B1272

4

LINE NO.	COMMODITY/SERVICE DESCRIPTION	UNIT	UNIT PRICE	DISCOUNT OFF CATALOG PRICE
00001	<p>UNLESS SPECIFIED ELSEWHERE, SHIP TO: DEPARTMENT OF CONSERVATION ROAN MOUNTAIN STATE PARK HWY 143 ROAN MOUNTAIN TN 37687</p> <p>COMMODITY CODE: 987-71-040890 WASTEWATER AND SEWAGE TREATMENT PLANT, OPERATIONS. TESTING AND MAINTENANCE SERVICES TO BE PERFORMED BY A LICENSED CERTIFIED WASTE WATER TREATMENT PLANT OPERATOR.</p> <p>PER ATTACHED SPECIFICATIONS</p> <p>- BID PRICE FOR MONTHLY SERVICE</p>	MTH	\$ 1083.33000	N/A